

**National Guard Bureau Education Division Instruction 1.1
(NGB-EDUi 1.1)**

Army National Guard

**Chaplain, Health Professional and
Enlisted Loan Repayment Programs
(CHELRP)**

NGB-EDU-IN
Arlington, VA
1 October 2009

SUMMARY of CHANGE

NGB-EDI 1.1

Chaplain, Health Professional and Enlisted Loan Repayment Programs (CHELRP)

This newly established instruction –

- Consolidates the Chaplain, Health Professional and Student (Enlisted) Loan Repayment Program policies into one instruction, thus referred-to ARNG-CHELRP
- Accepts degrees obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the CHEA Directory of Recognized Organizations to participate in the CLRP
- Authorizes Soldiers in the Enlisted Loan Repayment Program to add new loans up-to the fifth anniversary date of current six-year contract.
- Clarifies types of loans that can be paid under the ARNG-CHELRP
- Defines responsibilities by each responsible party throughout the application for repayment process.
- Establishes the acronym ELRP which represents the former Student Loan Repayment Program or SLRP within the Army National Guard, hence referred-to as Army National Guard Enlisted Loan Repayment Program or ELRP and/or ARNG-ELRP
- Establishes CHELRP payments provisions for Soldiers accepting AGR/Military Technicians tours or positions.

Chaplain, Health Professional and Enlisted Loan Repayment Programs (CHELRP)

By Order of the Director, Army National Guard:

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Army National Guard

Official:

For:	POYNION, KATHLEEN MARIE 1025965961
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Chief, Education, Incentives, and
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Applicability. This instruction applies only to Soldiers in the Army National Guard/Army National Guard of the United States.

Distribution. This publication is available in electronic media only and intended for command levels in the, the Army National Guard/Army National Guard of the United States.

Suggested improvements. Users are invited to send comments and suggested improvements directly to National Guard Bureau, NGB-EDU, ATTN: CHERLP (NGB-EDU-IN), 111 South George Mason Drive, Arlington, VA 22204-1032

History. This instruction is a consolidated revision of Loan Repayment Policies within the National Guard Bureau (Army)

Summary. This instruction provides guidance for state's incentives managers, MILPOs/DCS, G1, RRC and Soldiers with procedures, and information to participate and execute the Army National Guard Loan Repayment Program

Point of Contact for inquiries on all programs is the Education and Incentive Support Center (ESC) at the Professional Education Center (PEC) in Little Rock, Arkansas. Hours of operation are Monday through Friday from 0600-1800(CST). Question can be directed to 1-866-628-5999 or by email address esc@pec.ngb.army.mil. Proponent for this instruction is NGB-EDU-IN, Arlington, VA 22204.

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Introduction

1-1. Purpose

This instruction establishes standards, policies, and procedures for the management of the Army National Guard (ARNG) Chaplain, Health Professionals and Enlisted Student Loans Repayment Program (CHELRP). This instruction supersedes all previous policies/guidance/instructions on the processing of Education (Student) Loan Repayment Program (ELRP), Chaplain Loan Repayment Program (CLRP) or Health Professional Loan Repayment Program (HPLRP)). The purpose of CHELRP is to assist ARNG leadership and personnel managers in meeting and sustaining the readiness requirements for the ARNG. This program is used to recruit individuals with or without prior military service and to retain current members in the ARNG. This instruction establishes policy to administer the ARNG-CHELRP for the period of 01 October 2009 through 30 September 2010 unless otherwise noted, superseded or suspended. Commanders at all levels are required to ensure that this policy is managed effectively in order to preclude any occurrence of fraud, abuse, or mismanagement.

1-2. Policies

Related publications, directives, instructions and mandates are listed in appendix A.

1-3. Explanation of abbreviations and terms

Abbreviations and terms used in this regulation are explained within the context of the instruction.

1-4. Objectives

The objectives of this regulation are to—

- a. Create a standard for executing the ARNG-CHELRP.
- b. Provide a single source for obtaining information in relation to ARNG Student Loan Repayment Programs.

Section II

Requirements

2-1. Chaplain Eligibility

- a. *To be eligible for the Chaplain Loan Repayment Program (CLRP) a Soldier must-*

- (1) Meet all requirements set forth in DoDI 1304.28, AR 135-100, Chapter 3, Section III, and AR 165-1, Chapter 6 for accessioning and commissioning as a Chaplain in the ARNG.

- (2) Hold an appointment as a Chaplain in the ARNG.

- (3) Sign counseling checklist and written agreement to serve for three-years as a Chaplain in the ARNG.

- (4) Possess a current ecclesiastical endorsement from an agency approved the Armed Forces Chaplains Board.

- (5) Possess outstanding educational loans secured on or after October 1, 1975 IAW Section 16303, 10 USC.

These loans must have been applied towards a basic professional qualifying degree (post baccalaureate) or graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded through private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory. New loans incurred after signing a three-year CLRP service agreement will not be eligible for repayment until the current term of service is completed and a new three-year CLRP service agreement is initiated.

- b. Individuals enrolled in the Chaplain Candidate Program are **not** eligible to participate in the ARNG CLRP.

- c. The amount of CLRP will not exceed \$20,000 for each three-year period of obligated service that the person agrees to serve. Therefore, the maximum payment given to an eligible participant under the CLRP will not exceed \$6,666.66 for each year of the incentive term. The maximum lifetime benefit will not exceed \$40,000. The payment will consist of the loan's principal, interest and related expenses.

- d. *Method of Payment:*

(1) Qualifying individuals will receive a total of three annual payments during each CLRP incentive term. Annual payments will be processed on the anniversary date of their respective service agreement and be equal to one-third of the value of the loans that were present and verified upon entry into the program. New loans incurred after signing a three-year CLRP service agreement will not be eligible for repayment until the term is complete and a new three-year CLRP service agreement is initiated.

(2) Repayment of any such loans under this program shall be made after each year of satisfactory service performed as a chaplain commissioned officer in the ARNG, beginning on the date the CLRP service agreement is signed. This program will not reimburse amounts paid by the individual or any other agency. Repayment of any loan shall not exceed the outstanding balance.

2-2. Healthcare Professional Eligibility

a. *To be eligible for the Healthcare Professionals Loan Repayment Program (HPLRP) an officer must-*

(1) Serve in an ARNG TDA/MTOE unit (IAW the current ARNG AMEDD Incentives Policy) to receive HPLRP. For each year of satisfactory service with at least 50 good retirement points in the unit, any DOD-authorized student loan will be considered eligible for repayment that:

(a) Has an outstanding balance on the principal.

(b) Was secured for at least one year prior to the current anniversary date.

b. Under the HPLR Program, payment in any given year will not exceed the amount authorized for that specialty (see 1-3 below) or the remaining balance of the student loan, whichever is less. Total program repayments for all years will not exceed the maximum authorized amount for that specialty. Officers will complete both DA Form 5536-R and the Amendment to DA Form 5536-R. Selected Reserve Incentive Program (SRIP) managers will ensure that each HPLRP participant's data is entered into the Information Management and Reporting Center prior to processing.

(1) Medical and Dental Corps: \$40,000 per year, with a \$120,000 lifetime cap.

(2) Physician Assistants, Physical Therapists, Nurse Practitioners, Social Workers, and Clinical Psychologists: \$20,000 per year with a \$60,000 lifetime cap.

(3) Bachelor of Science in Nursing (BSN) Nurses: \$10,000 per year with a \$30,000 lifetime cap.

c. A healthcare professional that entered into a previous HPLRP agreement prior to the FY 2010-11 ARNG AMEDD Incentives Policy may reenter into an agreement to have the HPLRP pay up to the new authorized lifetime cap for their specialty. Healthcare professionals that are currently exercising a HPLRP contract are eligible to increase to the new authorized amount for their specialty. Officers will sign a statement of understanding at the time they submit their annual loan repayment paperwork either electing to receive the amount from their current contract, or the new annual amount, thus understanding that they will only receive the difference between the new lifetime cap and what they have already received. This also applies to AMEDD officers who reappoint to a specialty that is allowed a larger amount.

d. *The following repayment restrictions apply:*

(1) The borrower may not be reimbursed for payments already made on loans. Payments are made to educational and financial institutions, not to individuals, loans cannot be based on credit standing and/or funded through private institutions. The loans must be for the officer's qualifying degree or further education.

(2) Repayment cannot exceed the outstanding balance of the DOD-recognized loan(s).

(3) The agreement (DA Form 5536-R) does not change the officer's obligation to the lender or holder of the note(s).

(4) Loan(s) in default are not authorized for repayment.

(5) Consolidated educational loans may be eligible for repayment. The individual must provide evidence that all loans in the consolidation are for the eligible education, and provide the payment history to calculate what portion of each loan in the consolidation has been satisfied.

(6) Payments will be made until either the student loan(s) is (are) retired or the ceiling set forth in the current AMEDD Incentives policy is reached (to include any payments made under the previous programs), whichever is the lower amount. Payments will be made to the maximum annual amounts shown in paragraph 2-2b not exceed the lower of the authorized annual amount per year or the remaining balance of the student loan. If total repayments are less than the new authorized life cap, the remaining amount may be applied to future student loans that the officer

may incur, hence requiring that the officer executes a new contract. Taxes are not withheld from payments made to the institution. However, the individual incurs a tax debt, as this is considered income that must be reported.

(7) Medical Corps officers who are board-eligible or board-certified are eligible to participate in the HPLR program.

(8) Graduates of the Inter-Service Physician Assistant Program (IPAP) are not eligible to participate in this program until they satisfy their six-year contractual agreement.

(9) The STRAP may be offered in conjunction with the HPLRP provided that the eligible physician has completed at least two years of residency training and is not in the obligor phase (Phase 2) of STRAP. The physician may enroll at the beginning of the third year of residency and receive the first (anniversary) loan repayment one year later.

(a) In order to meet the HPLRP eligibility requirement, a STRAP participant must agree to extend their STRAP obligation prior to completing the STRAP stipend phase (Phase 1). When utilization of HPLRP results in an extension of the STRAP obligation, a copy of the STRAP Extension Statement will be enclosed along with DA Form 5685-R and forwarded to NGB-EDU (AMEDD Incentives) accordingly for computation of the new STRAP obligation dates. The enclosed STRAP Extension Statement may be used as a master copy. The STRAP Manager must compute all STRAP obligor extensions. **EXAMPLE:** An officer completes training on 30 Jun 08, however their anniversary date for HPLR is not until 12 Oct 08; in order for them to receive their anniversary payment, the officer must agree to extend their STRAP obligation 3 months and 12 days.

e. Application for repayment of loans:

(1) It is the individual officer's responsibility to submit to the State's CHELRP manager a Memorandum for Annual Loan Repayment each year through his or her unit of assignment.

(2) Application for repayment may be submitted no earlier than 60 days prior to the officer's anniversary date. Repayment will be paid on the anniversary date. All signatures will be accomplished within 90 days of the anniversary payment.

2-3. Enlisted Eligibility

a. To be eligible for the Enlisted Loan Repayment Program (ELRP) a Soldier must – (General Requirements)

(1) Be a secondary school (high school) graduate.

(2) Enlist or Reenlist IAW paragraphs **b - f** below.

(3) Soldiers must have one or more qualifying, and **disbursed** loans at the time of enlistment/re-enlistment/extension.

(4) Enlisted Soldiers receiving ELRP will remain eligible while attending Officer Candidate School (OCS) or Warrant Officer Candidate School (WOCS) or after contracting into the ROTC/SMP. Soldiers will also remain eligible upon commissioning or appointment, subject to the original restriction that their ELRP will be paid within the same period established in their original enlistment documents.

(5) Any Soldier who initially contracts for the ELRP on or after 1 October 2009 may continue ELRP eligibility by extending for a period of not less than six years once they reach their 12 month extension window. Any period of extension of less than six years will terminate ELRP eligibility. These Soldiers may continue to extend in this manner until they reach the maximum dollar amount authorized on their initial ELRP contract.

(a) Any new qualifying loans that were disbursed during the current contract term may be added for repayment only up-to the fifth anniversary date. Loans disbursed after the fifth anniversary date, will require a new 6-year contract extension.

(b) Payments on loans cannot exceed the **\$50,000** amount authorized under the initial contract, with a maximum payment of 15 percent (\$7,500 cap per Soldier, per year) or \$500 per year, whichever is greater. The annual payment will include interest as long as the combined principal and interest payment does not exceed the maximum amount authorized under the law. (Refer to Table 1-1 on page 2)

b. All NPS enlistees must meet the following eligibility requirements in addition to the general requirements:

(1) Enlist for either a 6x2 or 8x0 enlistment option.

(2) Enlist into a CS, MTOE, AVCRAD, RTI or a Medical or Special Forces TDA Unit.

- (3) Qualify as a Category I-III A enlistment (AFQT of 50 or higher).
- c. All PS enlistees must meet the following eligibility requirements in addition to the general requirements:**
- (1) Enlist for six years
 - (2) Enlist into a CS, MTOE, AVCRAD, RTI or a Medical or Special Forces TDA Unit.
 - (3) Must not have ever previously received the ELRP as an enlistment, re-enlistment or extension option in the Selected Reserve.
 - (4) Must be DMOSQ for the position for which enlisting.
- d. Current ARNG Soldiers must meet the following eligibility requirements in addition to the general requirements:**
- (1) Re-enlist/Extend for enough time to place their ETS at least six years out from the date of entry on the program. Soldiers who currently have six or more years from the date they execute a valid ELRP addendum to their current ETS may enter the program without executing an extension.
 - (2) Be assigned to a CS, MTOE, AVCRAD, RTI or a Medical or Special Forces TDA Unit.
 - (3) Must not have ever previously received the ELRP as an enlistment, re-enlistment or extension option in the Selected Reserve.
 - (4) Must be DMOSQ for their assigned position.
 - (5) Soldiers may re-enlist/extend at any time in order to gain initial entry into the program and do not have to be within their 12 month window of ETS. After that they must re-enlist/extend IAW paragraph E (3) in order to maintain eligibility beyond the initial six-year period.

Table 1-1 ELRP Requirements			
Bonus Option	Amount	Years of Service	Payment Schedule
NPS Enlistment into MTOE, ¹ AVCRAD, RTI ² , Medical and Special Forces TDA Units	Up to \$50,000	6X2 or 8X0	15 percent of loan principle (\$7,500 cap per Soldier, per year) or \$500 per year, whichever is greater. Payments are processed upon completion of each year anniversary of entrance into the program.
PS Enlistment into CUIC, MTOE, AVCRAD, RTI, Medical and Special Forces TDA Units		6 Year Enlistment	
Re-enlistment/Extension in MTOE, AVCRAD, RTI, Medical and Special Forces TDA Units		6 Year Re- enlistment/Extension	

2-4. Establishing CHELRP anniversary date

The date the Soldier signed his/her DA Form 5261-4-R (SLRP), DA Form 5536-R (HPLRP) and/or respective agreements (found in appendix C), establishes the anniversary date (month). Refer to Section III of this regulation for initial and anniversary payments.

2-5. Authorized Loans

a. The following loans qualify for repayment under CHELRP:

- (1) Stafford Loans, also known as Guaranteed Student Loans.
- (2) Federally Insured Student Loans.
- (3) Perkins Loan. (Formerly National Defense Student Loan/National Direct Student Loan (NDSL))

¹ AVCRAD – Aviation Classification Repair Activity Depot

² RTI – Regional Training Institute

- (4) Auxiliary Loans to Assist Student (ALAS).
- (5) Supplemental Loans for Students (SLS).
- (6) SMART Loans
- (7) Health professions education loan made or insured under part A of title VII of the Public Health Service Act (42 U.S.C. 292 et seq.) or under part B of title VIII of such Act (42 U.S.C.297 et seq.) (**HPLRP Only**)
- (8) A loan made, insured, or guaranteed through a recognized financial or educational institution if loan was used to finance education of a basic professional qualifying degree, graduate education in a health profession or graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded through private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory, and that the Secretary of Defense determines to be critically needed in order to meet identified wartime combat skill shortages. (**HPLRP and CLRP Only**)
- b.** All eligible loans must have been taken out after 1 October 1975. State and private loans are not eligible to be repaid under the CHELRP. Non-eligible loans are credit based, such as Signature, Private, Alternative and others. Lenders can clarify if the loan is a Title IV loan or not.

2-6. Taxes

It is important to note that CHELRP payments are taxable income but taxes are not deducted at the time of payment. A separate DFAS W2 will be issued to all Soldiers participating in the program.

Section III Responsibilities

3-1. Soldier's responsibility

He/She initiates the DD Form 2475 annually by completing sections 2 and 3; submitting-it to unit of assignment or readiness NCO NLT three months prior to CHELRP anniversary date. Soldiers will be notified via an automatically generated email indicating that they are within 90-days from initial or anniversary loan repayment eligibility date.

3-2. Unit's responsibility

- a.** Unit Readiness NCO or representative will:
 - (1) Complete Section 1 of DD Form 2475
 - (2) Verify Soldier completed Sections 2 and 3 correctly
 - (3) Forward DD Form 2475 to State's CHELRP Manager for further processing thru loan agency and payment processing.

3-3. CHELRP's Manager responsibility

- a.** The state manager will forward DD Form 2475 with cover memorandum identifying what needs to be accomplished to the loan agency listed on Section 3 of the form. A sample memorandum is at figure 1-1. It is extremely important that the manager prints and submits this cover memorandum to the loan agency to formalize the process. Upon receipt of DD Form 2475 from loan agency, verify that--
 - (1) Section 4 is completed.
 - (2) For the first payment of any loan, a copy of the loan note (promissory/master/consolidated loan) was enclosed. A master promissory note must have a copy of the disbursement statement. Consolidated loans must have a copy of the disbursement statement and/or original promissory notes. For anniversary payment submissions, a copy of the promissory note is not required.
 - (3) Forward the CHELRP claim up-to 30 days prior to the Soldier's anniversary date to the servicing USPFO for payment and processing thru DFAS.
 - (4) Will obtain on a monthly-basis CHELRP payment vouchers from state USPFO via SRD, thus closing and verifying that payments were sent to lenders on behalf of the service member.

3-4. Loan agency's responsibility

a. Loan agent or representative will:

- (1) Complete Section 4 of DD Form 2475
- (2) Provide copies of promissory/master promissory note (s) with disbursement statement/consolidated loan note(s)
- (3) Annotate any interest and/or capitalized interest in Block I (Loan Interest)
- (4) Return completed DD Form 2475 and enclosure to State's CHELRP manager in a timely manner.

Section IV

Suspension and Termination

4-1. Suspension

a. A Soldier may be suspended from CHELRP if transferred to ING or IRR for a period not to exceed one-year. Non-availability beyond a year will terminate the CHELRP entitlement immediately.

b. If the Soldier is under a Suspension of Favorable Personnel Actions (FLAGS) for failure to pass the Army Physical Fitness Test (APFT) or for entry into Weigh Control Program. All other adverse actions FLAGS will result in termination of incentive.

4-2. Termination

a. Receives the maximum CHELRP benefit available equating to max amount as authorized by this instruction.

b. Moves to another MOS/AOC, or is reclassified in an MOS/AOC, other than that for which contracted. Except if the soldier is moved to another MOS/AOC in a National Guard unit—

(1) For normal career progression (AR 611-201); or

(2) When retention of CHELRP entitlement has been approved by the Chief, National Guard Bureau.

c. Becomes an unsatisfactory participant under AR 135-91. The termination date must be the date the soldier attained his or her 9th unexcused absence (AR 135-91, para 4-11a), or the date the soldier is determined to be an unsatisfactory participant for failing to attend or complete the entire period of annual training (AT) (AR 135-91, para 4-13).

d. Fails to extend the contracted term of service for a period of nonavailability.

e. Separates from status in a Selected Reserve unit of the ARNGUS, except when separated for an authorized period of nonavailability. Separation includes, but is not limited to—

(1) Discharge, or transfer of the Individual Ready Reserve, Standby Reserve, or Retired Reserve.

(2) Enlistment or appointment in the Regular Army or in a Regular or Reserve Component of another branch of service.

(3) Voluntary entry or order to extended active duty (EAD).

4-3. Recoupment

Since CHELRP payments are made for previous satisfactory years of service, recoupment is not normally required upon termination. However, recoupment may be required if a record reviews reveals that the Soldier received payments erroneously.

4-4. Active Guard Reserve (AGR) and Military Technicians (Mil-Tech)

1. Soldiers ordered to active duty in the State (Title-32) AGR program and soldiers accepting employment in the (Title-32) Mil-Tech program will be entitled to CHELRP payments as long as they remain serving under their initial contract and/or agreement for which CHELRP was awarded. If a Soldier must extend to meet AGR tour requirements he/she will receive a prorated amount until the effective date of new extension. Under no circumstances will a Soldier ordered to Federal (Title-10) AGR program be entitled to CHELRP payments, these Soldiers will receive a prorated amount for term served prior to effective AGR tour start date.

4-5. Transferability and Previous Participation

a. *Soldiers who enlist into the ARNG as a result of being conditionally released from the USAR and who are under a USAR Loan Repayment Program contract will remain eligible under that contract as long as they meet the following requirements:*

- (1) Must be AOC/DMOSQ for the position for which accessed.
- (2) Must be accessed IAW Section II paragraphs 2-1 (CLRP), 2-2 (HPLRP) and 2-3 (ELRP) respectively.
- (3) Must provide proof of any and all payments made by the USAR prior to being released. If no payments were made by the USAR, must provide proof of that fact as well.
- (4) The total amount the ARNG will pay may not exceed the lesser between the original USAR contract amount or the current maximum amount under CHELRP's specific loan repayment program. Any and all previous payments made by the USAR will be calculated against the total amount authorized under the contract in order to determine the remaining amount the ARNG will pay.

b. Under no circumstances will a Soldier be entitled to participate in more than one ARNG loan repayment program. As an example, a Soldier that participated in the ELRP, will not be eligible to participate in the CLRP or HPLRP and vice versa.

4-6. Exceptions to Policy (ETP)

Forward all requests related to the loan repayment programs under CHELRP prior to contract execution through the State's G1/ESOs/CHELRP or Incentives manager section to the following addresses for determination:

Chaplain and Enlisted ETPs:

National Guard Bureau
ATTN: NGB-EDU-IN (CHELRP)
111 South George Mason Drive
Arlington, VA 22204-1382

Health Professionals ETPs:

National Guard Bureau
ATTN: NGB-EDU-IN (HPLRP)
111 South George Mason Drive
Arlington, VA 22204-1382

5-1. Program Management Tools

a. The following tools are provided at the end of this instruction to assist participants, ESOs and incentives managers with the proper execution of the program. They are as follows:

- (1) CLRP, HPLRP and ELRP counseling checklists.
- (2) A list of the most common asked questions.

Appendix A

References

Related Publications

AR 135-7, Incentive Programs, 15 April 1996.

AR 135-100, Appointment of Commissioned and Warrant Officers of the Army, 1 September 1994.

AR 165-1, Chaplain Activities in the United States Army, 25 March 2004.

Related Directives

DOD Directive (DODD) 1205.20, Reserve Component Incentive Programs, 8 January 1996.

DOD Directive (DODD) 1304.19, Appointment of Chaplains for the Military Departments, 11 June 2004.

Related Instructions

DOD Instruction (DODI) 1205.21, Reserve Component Incentive Programs Procedures, 20 September 1999.

DOD Instruction (DODI) 1304.28, Guidance for the Appointment of Chaplains for the Military Departments, Change 1, 7 August 2007.

Other Related Mandates

Chapter 1609, Title 10 USC - Education Loan Repayment Program (Student Loan Repayment Program (SLRP), Chaplain Loan Repayment Program (CLRP) or Health Professional Loan Repayment Program (HPLRP)).

10 USC 16303, Loan Repayment Program: Chaplains Serving in the Selected Reserve, 3 January 2007.

Duncan Hunter National Defense Authorization Act (NDAA) for FY 2009, 14 October 2008.

Implementation Guidance for Army National Guard (ARNG) Army Medical Department (AMEDD) Officer Incentives Programs for FY 2010-11

Memorandum, Assistant Secretary of Defense (Health Affairs), 26 March 2008, Subject: Reserve Component Wartime Healthcare Specialties with Critical Shortages

Memorandum, Office of the Secretary of Defense – Reserve Affairs (OSD-RA), 14 April 2006, Subject: Enhancements to the Reserve Component Incentive Programs.

CHAPLAIN LOAN REPAYMENT PROGRAM COUNSELING CHECKLIST (CLRP)

- () 1. Only the following loans listed below are covered under the program

These loans must have been applied towards a basic professional qualifying degree (post baccalaureate) or Graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded through private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory.

- () 2. You may consolidate your Student Loans but it must be consolidated as one of the loan types listed above.
- () 3. The loans must be in the soldier's name
- () 4. You must turn in your promissory notes to the Incentives Office to become eligible for the CLRP; Bills and payment statements are NOT promissory notes
- () 5. The CLRP does not assume responsibility for your loans.
- () 6. If your loan(s) become delinquent (default) you may lose your eligibility.
- () 7. You are required to submit a request for payment (DD FORM 2475) within 90-days of anniversary date.
- () 8. They DD Form 2475 (request for payment) must be certified by your lender.
- () 9. You are eligible for one payment per year at the end of each contracted year which is paid directly to your lender.
- () 10. You will not be reimbursed for payments that you make. The payments from the CLRP go directly to the lender.
- () 11. The payment will be made to the maximum annual amounts not to exceed the lower of \$6,666.66 per year or the remaining balance of the student loan; refer to your CLRP annex.
- () 12. You may still be required to make a monthly payment to your lender.
- () 13. Your are required to report any changes in your mailing address and phone number.

I HAVE BEEN COUNSELED ON THE CHAPLAIN LOAN REPAYMENT PROGRAM

SIGNATURE

DATE

PRINT NAME

SSN

This CLRP Counseling Checklist is not all inclusive and is intended as an aid. It does not supersede or override Student Loan addendum or policy. This document is only to be used as a quick reference. For details concerning the programs, refer to current NGB-EDUi 1.1.

EMAIL ADDRESS:

FAX COMPLETED FORM TO STATE'S INCENTIVE MANAGERS AT: _____

HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM COUNSELING CHECKLIST (HPLRP)

() 1. Only the following loans listed below are covered under the program:

A loan made, insured or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.); or any loan under part D of such title (the William D. Ford Federal Direct Loan Program, 20 U.S.C. 1087a et seq.); or a loan made under part E of such title (20 U.S.C. 1087aa et seq.), after October 1, 1975; or a loan made, insured, or guaranteed through a recognized financial or educational institution if loan was used to finance education of a basic professional qualifying degree, or graduate education in a health profession.

() 2. You may consolidate your Student Loans but it must be consolidated as one of the loan types listed above.

() 3. The loans must be in the officer's name.

() 4. You must turn in your promissory notes to the Incentives Office to become eligible for the HPLRP; Bills and payment statements are NOT promissory notes.

() 5. The HPLRP does not assume responsibility for your loans.

() 6. If your loan(s) become delinquent (default) you may lose your eligibility.

() 7. You are required to submit a request for payment (DD FORM 2475) within 90-days of anniversary date.

() 8. They DD Form 2475 (request for payment) must be certified by your lender.

() 9. You are eligible for one payment per year at the end of each contracted year which is paid directly to your lender.

() 10. You will not be reimbursed for payments that you make. The payments from the HPLRP go directly to the lender.

() 11. The payment will be made to the maximum annual amounts not to exceed the new authorized lifetime cap for their specialty or the remaining balance of the student loan. (See Para 2-2)

() 12. You may still be required to make a monthly payment to your lender.

() 13. Your are required to report any changes in your mailing address and phone number.

() 14. You must receive a minimum of 50 good retirement points per year to maintain eligibility.

I HAVE BEEN COUNSELED ON THE HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM

SIGNATURE

DATE

PRINT NAME

SSN

This HPLRP Counseling Checklist is not all inclusive and is intended as an aid. It does not supersede or override Student Loan addendum or policy. This document is only to be used as a quick reference. For details concerning the programs, refer to current NGB-EDUi 1.1.

EMAIL ADDRESS:

FAX COMPLETED FORM TO STATE'S INCENTIVE MANAGERS AT: _____

ENLISTED LOAN REPAYMENT PROGRAM COUNSELING CHECKLIST (ELRP)

() 1. Only the Following Federal loans listed below are covered under the program

Auxiliary Loans to Assist Students (ALAS)

Consolidated Loan Program (CLP)

Perkins Loan (Formerly National Direct Student Loan)

Federally Insured Student Loan

Smart Loan

Stafford Loan Program (formerly Guaranteed Student Loans GSL)

Supplemental Loans for Students (SLS)

William D. Ford Federal Direct Loan Program

- () 2. You may consolidate your Student Loans but it must be consolidated as one of the loan types listed above.
- () 3. The loans must be in the soldier's name.
- () 4. You must turn in your promissory notes to the Incentives Office to become eligible for the ELRP; Bills and payment statements are NOT promissory notes.
- () 5. The ELRP does not assume responsibility for your loans.
- () 6. If your loan(s) become delinquent (default) you may lose your eligibility.
- () 7. You are required to submit a request for payment (DD FORM 2475) within 90-days of anniversary date.
- () 8. They DD Form 2475 (request for payment) must be certified by your lender.
- () 9. You are eligible for one payment per year at the end of each contracted year which is paid directly to your lender.
- () 10. You will not be reimbursed for payments that you make. The payments from the ELRP go directly to the lender.
- () 11. The payment amount is calculated to be 15% (\$7500 cap per year) of the original principal; actual amount varies by contractual year. Please refer to your ELRP annex.
- () 12. You may still be required to make a monthly payment to your lender.
- () 13. Your are required to report any changes in your mailing address and phone number.

I HAVE BEEN COUNSELED ON THE ENLISTED LOAN REPAYMENT PROGRAM

SIGNATURE

DATE

PRINT NAME

SSN

This ELRP Counseling Checklist is not all inclusive and is intended as an aid. It does not supersede or override Student Loan addendum or policy. This document is only to be used as a quick reference. For details concerning the programs, refer to current NGB-EDUi 1.1.

EMAIL ADDRESS:

FAX COMPLETED FORM TO STATE'S INCENTIVE MANAGERS AT: _____

Army National Guard Chaplain, Health Professional and Enlisted Loan Repayment Program

(ARNG-CHELRP)

Frequently Asked Questions

Q1. How does the repayment cycle work and when will repayments on my loans begin?

Before repayments under can begin, State's CHELRP managers must receive:

1. Loan verification information from the Recruit (borrower) and
2. Current loan holders.

In order to obtain this information, Recruiters/MEPS Counselors will provide the new applicants with a packet that contains a DD Form 2475. This form must be filled out in part by the applicant and then by the loan holder. The loan holder(s) must then return the completed form to the new applicant. The Recruiter and/or MEPS Counselor assisting the applicant will forward the completed application to their respective State's CHELRP managers. Only after manager has received all completed forms and verified that the loan(s) qualify for the program, will authorization for repayment be given.

After the required paperwork has been received, and the loans have been verified as eligible for program, managers will enter the new applicant into iMARC.

The first payment is eligible after the first year of service and completion of IET. The Soldier is required to submit annual DD 2475's to program managers in order to trigger the anniversary payments.

It is always the responsibility of the Soldier to ensure that managers receive the completed DD Forms 2475 from all current loan holders on all eligible loans.

Q2. What loans qualify for repayment?

Loans which qualify include those which are made, insured, or guaranteed under Part B (Federal Family Education Loan Program); Part D (William D. Ford Direct Loan Program); or Part E (Federal Perkins Loans) of the Higher Education Act of 1965. These loans also must have been acquired prior to entry on active duty. The types of loans that qualify for the program are:

- (1) Stafford Loans, also known as Guaranteed Student Loans.
- (2) Federally Insured Student Loans.
- (3) Perkins Loan. (Formerly National Defense Student Loan/National Direct Student Loan (NDSL))
- (4) Auxiliary Loans to Assist Student (ALAS).
- (5) Supplemental Loans for Students (SLS).
- (6) SMART Loans
- (7) A loan made, insured, or guaranteed through a recognized financial or educational institution if loan was used to finance education of a basic professional qualifying degree, graduate education in a health profession or graduate education resulting in a Masters of Divinity Degree or equivalent (theological, chaplaincy, apologetics, religious or related studies). They cannot be based on credit standing and/or funded thru private institutions. All degrees must be obtained from a theological seminary accredited by any of the National Faith-Related Accrediting Organizations as listed in the Council for Higher Education Accreditation (CHEA) Recognized Organizations' Directory, and that the Secretary of Defense determines to be critically needed in order to meet identified wartime combat skill shortages.

(HPLRP and CLRP Only) *(If you are unsure about the loan "type" or name, please contact your lender for clarification on loan eligibility)*

Q3. What are the names of nonqualifying loans?

Non-Eligible Loans are credit based. These are Signature, Private, Alternative, or whatever. If in doubt, call the lender and ask "Is this loan a Title IV loan?"

Q4. What are my responsibilities?

It is important to remember that the ARNG never assumes your loan(s) under this program. You always remain responsible for the status of your loan(s) and you must always keep your loan(s) in good standing. The ARNG will **NOT** pay on loans that are in default. You must ensure that CHELRP managers receive the completed DD Form 2475 with enclosures back from your loan holders so that repayment process can be initiated.

DD Form 2475 (Effective NOV2006) has 4 parts. Part 1 is to be filled out by the Soldier and signed by someone in the Soldier's chain of Command (Block 1 (b) (2)). The Soldier's address should be put in block 1(a). Part 2 is self explanatory. Part 3 is filled out by the Soldier. The Soldier should call the lender if there are any questions. Part 4 is filled out by the lender. The lender returns the form to the address listed in Part 1 Block 1 (a).

FORWARD completed DD 2475's and ask for email confirmation. Managers will match your Enlistment, the Statement of Understanding, the Promissory Notes with the applicants name as the borrower, and the previously completed DD 2475's before requesting a payment from DFAS Cleveland. If we don't have all these forms, we can't schedule a payment.

Q5. What is a loan deferment or forbearance and how do I obtain one?

In some cases a student loan deferment will stop interest from accruing (which the ARNG will not repay under CHELRP).

Forbearance will stop payments from coming due on a student loan; however interest will continue to accrue. As of 1 Jul 95, in accordance with the Federal Register (34 CFR 682.211 (h) (ii) (B), Mandatory Forbearances), loan holders are required to forbear any and all student loans that are on student loan repayment programs administered by the Department of Defense (U.S. Code Title 10, Section 2171).

It is, however, the borrower's responsibility to promptly contact the loan holder and apprise the agency of one's active duty status and officially initiate the request for forbearance. A deferment or forbearance will prevent a loan from going into a state of delinquency or default. If a loan holder is requiring the borrower to begin making repayments, then it is the borrower's responsibility to officially request either a deferment or forbearance.

Conditions under which a deferment or forbearance are obtained are handled exclusively between the borrower and the loan holder. It is always the borrower's responsibility to effect the official request and then to ensure that the deferment or forbearance has been obtained. Paperwork for deferment or forbearance must be obtained from the lender and the Recruit must ensure the paperwork is taken care of and is kept up-to-date.

The ARNG does not assume an individual's loan. The individual remains responsible for payment and the status of the loan. Public Law 99-145, Section 671(a)(1), precludes the authorization of payments toward interest. Likewise, reimbursement of payments already made is prohibited.

Q6. Is the Loan Repayment Program taxable?

Yes, payments are considered by the IRS as taxable income in the year they are paid. Service member whose lenders have received a payment will receive a W-2 from DFAS. It will not be identified on your

regular base pay W-2. It is important that you file your income taxes with this W-2. Since payments are considered as income, this withholding will avoid you facing a large tax bill at the end of the year. In general you will receive a refund from the IRS.

For example, \$2,500 will be withheld from a \$10,000 payment. Potentially you could get all that money back from the IRS and make a payment on your student loans.

A separate Statement of Amount Paid (W-2) should be provided to an individual at tax year-end by Defense Finance and Accounting Services (DFAS) - Indianapolis Center. If the W-2 has not been received, please contact DFAS at 1-888-DFAS411, and clearly explain to them that you are missing a W-2 for the Loan Repayment Program.

Q7. Are defaulted loans eligible for payment under the Loan Repayment Program?

The ARNG will not repay loans or portions of loans in default, delinquent payments, interest, or associated charges.

Q8. What if I do not know where my loans are or who the current loan holder is?

The U.S. Department of Education can help you track your student loans as well as obtain copies of your promissory notes. You can reach them at this telephone number: 1 (800) 4-FED-AID at www.nslds.ed.gov

Q9. What else should I know as a Loan Repayment Program participant?

If a Soldier does not fulfill his/her enlistment obligation, by separating from the service early, then he/she will forfeit/ lose his/her eligibility. There are some exceptions to this early separation rule.

Q10. Whom do I contact if I have any questions about the Loan Repayment Program?

Address all questions to your respective State's CHELRP manager; you can find contact information via <https://www.virtualarmory.com/education/ArngPOC/Default.aspx>